

Message Text

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FM AMEMBASSY KUALA LUMPUR

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INFO AMEMBASSY SINGAPORE

UNCLAS KUALA LUMPUR 3301

STATE FOR EA/EP

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E.O. 11652: N/A

TAGS: BEWT NE)

SUBJ: FY 77 COMMERCIAL ACTION PLAN FOR MALAYSIA

1. EMBASSY, IN EFFORT TO FULFILL ITS IMPORTANT COMMERCIAL FUNCTIONS AND TO BETTER IMPLEMENT DEPARTMENT OF COMMERCE PROGRAMS, HAS ESTABLISHED FOLLOWING COMMERCIAL ACTION PLAN (CAP) FOR MALAYSIA. WE BELIEVE MUTUAL INTERESTS OF WASHINGTON AGENCIES AND EMBASSY IN HAVING CLEARLY DELINEATED AND FLEXIBLE PROGRAM OF MANAGEMENT BY OBJECTIVES CAN BEST BE MET BY THIS APPROACH. RELATIVELY SMALL SIZE OF MALAYSIAN MARKET, LIMITATIONS ON POST'S RESOURCES AND DEGREE OF AMERICAN INTERESTS IN MALAYSIA CAN BEST BE MET BY CAP AND NOT BY MORE FORMAL AND DETAILED APPROACH USED, OF NECESSITY, BY LARGER POSTS. CAP TYPE PLAN RECOMMENDED BXQMOEL BILLAR, DEPUTY ASSISTANT SECRETARY OF STATE FOR COMMERCIAL AFFAIRS AND BUSINESS ACTIVITIES IN LETTER TO ECON COUNSELOR IN JANUARY. WE SATISFIED PROGRAM OUTLINED BELOW WILL ENABLE OUR ONE AMERICAN OFFICER AND THREE FOREIGN SERVICE LOCALS WHO DEVOTE MOST OF THEIR TIME TO COMMERCIAL WORK TO MAXIMIZE THEIR EFFECTIVENESS THROUGH MTENTRATION ON SPECIFIC OBJECTIVES. CAREFUL MESHING OF RESOURCES AND GOALS ENVISAGED WILL RESULT IN STRONGER, MORE EFFECTIVE COMMERCIAL PROGRAM IN MALAYSIA. IT WILL ALSO PROVIDE MAXIMUM FLEXIBILITY IN FACE OF RAPIDLY C DNGING COMMERCIAL SCENE IN MALAYSIA. PLAN IS AS FOLLOWS:

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2. TRADE PROMOTIONAL ACTIVITIES (10 PERCENT OF OUR TIME)

WE SUGGEST THAT ONE OFF SIGHT EXHIBITION BE HELD IN KUALA LUMPUR IN FY-1977. THIS SHOULD BE PRECEDED BY PRODUCT SEMINAR. OUR RECOMMENDATION IS THAT THEME OF EXHIBITION SHOULD BE LABORATORY INSTRUMENTATION. RECENT ANALYSIS OF MALAYSIAN MARKET BY COMMERCIAL ATTACHE, IN WHICH CAREFULLY WEIGHTED INDEX OF VARIOUS IMPORTANT ELEMENTS WERE INCLUDED (SIZE OF MARKET, U.S. SHARE, CHANGE IN MARKET 1973-74, CHANGE IN U.S. SHARE 1973-74), GAVE HIGHEST MARKS TO THIS THEME. WE ALSO BELIEVE IT WOULD BE SUITABLE BECAUSE SUCH AN EXHIBITION WOULD BASICALLY INCLUDE LIGHT EQUIPMENT AND WOULD THUS BE RELATIVELY EASIER AND CHEAPER TO MOUNT THAN ONE INVOLVING MASSIVE MACHINERY. THIS SHOW WILL BE OUR FIRST EQUIPMENT SHOW IN MALAYSIA. WE WILL, THEREFORE, BE SPENDING EVEN GREATER AMOUNT OF TIME IN ENSURING EVENT'S SUCCESS THAN WOULD BE CASE AT A POST WITH CONSIDERABLE EXPERIENCE IN THESE MATTERS.

BASED ON ANALYSIS MENTIONED ABOVE, OTHER AREAS WORTHY OF CONSIDERATION FOR EITHER TRADE MISSIONS OR CATALOG SHOWS INCLUDE BUSINESS EQUIPMENT, BUILDING AND CONSTRUCTION MACHINERY AND SUPPLIES (ESPECIALLY IF EVENT IS SCHEDULED AT RTC IN SINGAPORE), AND PROCESS CONTROL INSTRUMENTATION. ALL THESE AREAS SHOW EXCELLENT POTENTIAL FOR INCREASED U.S. SALES TO MALAYSIA.

3. REPORTING DIRECTLY RELATED TO TRADE PROMOTION (20 PERCENT OF OUR TIME)

A. WE PLAN ON CAREFULLY MONITORING MAJOR PROJECTS IN MALAYSIA IN WHICH AMERICAN FIRMS MIGHT PARTICIPATE. THESE WOULD INCLUDE PROJECTS GENERATED UNDER MALAYSIA'S FORTHCOMING THIRD FIVE YEAR DEVELOPMENT PLAN (1976-1980) AS WELL AS THOSE ARISING INDEPENDENTLY OF THE PLANNING PROCESS. OUR OBJECTIVE IS TO OBTAIN EARLY READING ON PROJECT AT IMPORTANT FIRST STAGE AND TO REPORT THIS IMMEDIATELY FOR DISSEMINATION TO U.S. FIRMS.

B. EMBASSY, IN ORDER TO IMPROVE OUR UNDERSTANDING OF IMPORTANT INDUSTRIAL AREAS IN MALAYSIA, WILL BEGIN PROVIDING IN-DEPTH REPORTS ON VARIOUS INDUSTRIES. THESE REPORTS WILL BE INTENDED TO BE OF DIRECT ASSISTANCE TO U.S. BUSINESSMEN INTERESTED IN SALES TO THESE AREAS. WE PLAN ON DOING 3-4 OF THESE PER ANNUM, IF FUNDS FORTHCOMING TO ENABLE US TO CONTRACT

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OUT SOME OF HEAVY WORKLOAD WE HAVE ENCOUNTERED IN MARKET RESEARCH AND PTR'S (SEE BELOW).

C. SCHEDULED AND ALERT CERP REPORTING WILL BE UNDERTAKEN AS REQUIRED.

D. ROUTINE TRADE OPPORTUNITIES WILL BE REPORTED AS SOON AS THEY ARE UNCOVERED.

4. MARKET RESEARCH (5 PERCENT OF OUR TIME)

IN ORDER TO MORE ACTIVELY UTILIZE OUR SMALL STAFF IN AREAS WHERE THEY WILL HAVE MOST IMPACT, EMBASSY WOULD LIKE TO

CONTRACT OUT MAJORITY OF ITS MARKET RESEARCH AND PTR'S. WE BELIEVE THAT 2-4 FULL MARKET RESEARCH STUDIES AT US\$1,000 EACH SHOULD BE DONE DURING THE TARGET YEAR. IN ADDITION, 4-8 PTR'S AT US\$500 EACH SHOULD BE CONTRACTED OUT.

5. BUSINESS SERVICES (35 PERCENT OF OUR TIME)
BECAUSE OF GROWTH IN MALAYSIA'S IMPORTS AND IN U.S. INVESTMENT IN MALAYSIA, AN INCREASING AMOUNT OF OUR TIME IS TAKEN UP WITH PROVIDING BROAD RANGE OF ADVICE AND ASSISTANCE TO AMERICAN AND MALAYSIAN BUSINESSMEN. WE BELIEVE THAT THIS TIME, WHETHER SPENT IN HELPING A VISITING SALES REPRESENTATIVE OF A U.S. COMPANY IN OBTAINING APPOINTMENTS WITH PRIME CONTACTS OR IN ASSISTING AN EXISTING OR POTENTIAL AMERICAN INVESTOR WITH PROBLEMS WITH THE GOM, REPRESENTS PERHAPS MOST VALUABLE WORK WE DO IN MALAYSIA. AS A CONSEQUENCE, WE WILL CONTINUE TO GIVE SUCH ASSISTANCE AS OUR TOP PRIORITY.

6. STANDARD COMMERCIAL PROGRAMS (20 PERCENT OF OUR TIME)

A. WE WILL PUT FORTH OUR BEST EFFORT IN ASSISTING THE RTC IN SINGAPORE IN FULFILLING ITS MISSION.

B. COMMERCIAL NEWSLETTER, WHICH AS PROVEN TO BE VERY VALUABLE TOOL DTRADE PROMOTION, WILL CONTINUE TO BE PUBLISHED FOUR TIMES A YEAR.

C. WTDR'S WILL CONTINUE TO BE PREPARED IN TIMELY AND ANALYTICAL MANNER.

D. PREPARATION OF ADS AND FTI WILL REMAIN KEY SERVICE TO AMERICAN COMPANCYS.

E. EXIM BANK AND OPIC RESPONSIBILITIES WILL CONTINUE TO BE DISCHARGED IN A TIMELY, EFFECTIVE FASHION.

F. WE WILL ATTEMPT GREATER UTILIZATION AND GENERAL AWARENESS
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OF THE FOREIGN BUYER'S PROGRAM WHICH COULD PROVIDE GREAT BENEFITS TO OUR EXPORT PROGRAM.

G. WE ARE EXPANDING AND WILL IMPROVE QUALITY OF COMMERCIAL LIBRARY IN ORDER TO MAKE IT A MORE EFFECTIVE TOOL.

7. OTHER ACTIVITIES NOT SPECIFIED ABOVE WILL TAKE ABOUT 10 PERCENT OF OUR TIME.
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